

FOCCAS Uganda

Foundation for Credit and Community Assistance

small loans for
big changes

24 May 1999

**Programme
Office**

Plot #49 Republic Street
P.O. Box 907
Mbale, Uganda
TEL/FAX: 256-45-33069
TEL: 256-45-34295

Anne Ritchie
Centre for Microenterprise Finance
PRESTO Project
P.O. Box 24204
Kampala, Uganda
Fax: 041-347-635

Dear Ms. Ritchie,

Re: Performance Indicators for Jan-Mar 1999 #2

Please find attached the reporting format completed for the 1 January – 31 March 1999 period. My apologies for the delay in this submission.

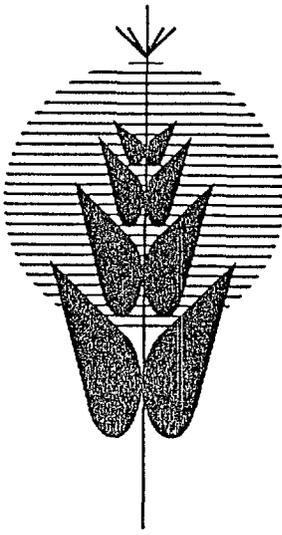
Please do not hesitate to call if you have any questions or concerns.

Sincerely,

Robert Richards
Program Manager

Cc: Jackie Wakhweya, USAID/Kampala

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Jackie Wakhweya
USAID / Kampala
P.O. Box 7007
Kampala, Uganda
Fax: 041-233417

Dear Ms. Wakhweya,

Re: Performance Indicators for Jan-Mar 1999

Please see the attached letter and reporting form.

Please do not hesitate to call if you have any questions or concerns.

Sincerely,

Robert Richards
Program Manager

PRESTO Center for Microfinance

Quarterly Financial Information

Microfinance Institution: FOCCAS Uganda
Report Period: 1 January – 31 March 1999

Physical Location of Financial Services:

Kampala:	0% of current clients
District Towns:	6.5% of current clients
Villages:	93.5% of current clients

Client Characteristics:

Gender:

Male:	0%
Female:	100%

Type of Economic Activity:

Commerce:	100%
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Financial Products and Delivery Methodologies

Loans

Description: FOCCAS Uganda has only one loan product, which it provides to clients as part of its *Credit with Education* program. FOCCAS Uganda field staff travel to villages to promote the program (i.e., explain the benefits, conditions, and rules of participation in the program) and invite women who are interested in receiving loans for income-generating activities to form solidarity groups of four to six individuals each. These solidarity groups, in turn, join together to form Credit Associations of 35 to 45 members each. After participating in five half-day training sessions in Credit Association management over five weeks and then democratically electing their own officers, these groups receive a 16-week loan from FOCCAS Uganda. The Credit Association divides this loan into smaller loans for individual members to invest in microenterprise activities. The maximum initial loan size is Ush 50,000; higher loans are available in subsequent cycles as long as the individual performs well and the Credit Association maintains a good credit rating (the maximum increase in loan size from one cycle to the next is 50%). Members guarantee repayment of each other's loans at both the solidarity group and Credit Association levels, so they must all agree that each borrower is capable of making a sufficient profit from the proposed income-generating activity to repay the Credit Association with interest. Repayments to FOCCAS Uganda are made every four weeks; the Credit Association transfers the amount due from its own bank account to a FOCCAS Uganda bank account. When the Credit Association repays its entire loan to FOCCAS Uganda on time and with interest, it becomes eligible immediately to receive a new, usually larger group loan.

Borrowers usually invest their loans in economic activities for which they are already skilled and need no technical assistance to learn. Examples include buying and selling foodstuffs, food processing and selling, small animal raising, brewing alcoholic beverages, or operating kiosks. Credit Association members meet weekly to manage the affairs of the group. They make weekly installment payments of principal and interest on their loans (the interest rate charged is 12% per 16-week cycle).

A part of each regular meeting of the Credit Association is set aside for a "learning session" which is facilitated by the FOCCAS Uganda field agent -- using an interactive, nonformal methodology geared specifically to adults. The *Credit with Education* learning sessions focus on two major areas: 1) health, nutrition, and family planning; and 2) microenterprise development. The health and nutrition topics include discussions on diarrhea management and prevention, HIV/AIDS prevention, breastfeeding, infant and child feeding, immunization, and family planning.

Interest rate (Nominal Annual Rate):	36%
Calculation Method:	Flat
Payment Frequency:	Weekly
Loan Term:	16 or 20 weeks
Grace Period:	None
Time Between Loans:	One week
Groups or Individuals:	Loans are made through Credit Associations to individuals for individual activities
Average Disbursed Loan Size:	Ush 82,244

Savings

Description: Credit Association members are required to make regular deposits of personal savings at their weekly Credit Association meetings (each Credit Association establishes a minimum weekly savings requirement as part of its bylaws). After the first loan cycle, FOCCAS Uganda requires that each Credit Association maintain at least 5% of the amount of its loan on deposit as savings. Voluntary savings above this minimum are encouraged. The savings of Credit Association members are deposited into the Credit Associations' bank accounts. FOCCAS Uganda does not control or lend out members' savings.

Type of Savings:	Compulsory and voluntary
Compulsory Amount:	5% of loan amount after first cycle
Custody of Savings:	Credit Association bank account
Effective Control of Account:	Clients
Withdrawal Restrictions:	Must maintain at least 5% of loan amount; no other withdrawal restrictions
Interest (Annual Rate):	FOCCAS Uganda does not pay interest on savings, but the banks at which the Credit Associations have their accounts (Co-operative Bank and Uganda Commercial Bank) do pay interest
Frequency of Interest Payment:	N/A

PRESTO CENTRE FOR MICROFINANCE
QUARTERLY Financial Performance Information

MICROFINANCE INSTITUTION	FOCCAS Uganda	REPORT PERIOD	1 JAN-31 MAR 1999
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ITEM	ACCOUNT	CHANGE THIS QUARTER	BALANCE AT END OF QUARTER UG.SHS.
1a	Cash and bank	52,170,184	203,571,659
1b	Investments in short-term market instruments	0	0
1c	Reserves in central bank	0	0
1d	TOTAL QUICK ASSETS (Sum of line 1a to 1c)	52,170,184	203,571,659
1e	Current loan portfolio	9,842,918	451,448,721
1f	(Loan loss provision)	0	(20,322,761)
1g	Accrued interest	0	0
1h	Other short term assets	(12,718,906)	41,739,808
1i	TOTAL CURRENT ASSETS (Sum of line 1a through 1h)	49,294,196	676,437,427
1j	Long-term portion of loan portfolio	0	0
1k	Long-term investments	0	0
1l	Land, Buildings and leasehold improvements	0	0
1m	Vehicles and equipment	13,384,396	219,957,946
1n	TOTAL LONG-TERM ASSETS (Sum of line 1j to 1m)	13,384,396	219,957,946
1o	TOTAL ASSETS (Line 1i plus 1n)	62,678,592	896,395,373
2a	Voluntary Savings	0	0
2b	Compulsory Savings	0	0
2c	Demand deposits	0	0
2d	Time deposits	0	0
2e	Loan from Central Bank	0	0
2f	Loan from head office	0	0
2g	Loans at market interest rates	102,000,000	102,000,000
2h	Loans at subsidized interest rates	48,163,850	195,000,000
2i	Interest accrued on liabilities	2,175,000	5,027,340
2j	Other short-term liabilities	(2,904,419)	8,051,943
2k	TOTAL SHORT-TERM LIABILITIES (Sum of line 2a to 2 j)	149,434,431	310,079,283
2l	Term savings	0	0
2m	Long-term loan from head office	0	0
2n	Long-term debt at market interest rates	0	0
2o	Long-term debt at subsidized interest rates	0	0
2p	Other long-term liabilities	0	0
2q	TOTAL LONG-TERM LIABILITIES (Sum 2l through 2p)	0	0
2r	TOTAL LIABILITIES (Sum lines 2k and 2q)	149,434,431	310,079,283
3a	Shareholders equity	0	0
3b	Donated Capital (Fund Balance)	0	390,119,186
3c	Retained surplus/(deficit) prior years plus prior quarters of current year	0	0
3d	Reserves	0	0
3e	Other capital accounts	(154,185,200)	0
3f	Retained surplus/(deficit) this quarter (line 17 of income statement)	67,429,361	196,196,904
3g	TOTAL CAPITAL (Sum lines 3a to 3f)	(86,755,839)	586,316,090
4	Total Liabilities and Capital (Line 2r plus 3g)	62,678,592	896,395,373

PRESTO CENTRE FOR MICROFINANCE
QUARTERLY Financial Performance Information

MICROFINANCE INSTITUTION	FOCCAS Uganda	REPORT PERIOD:	1 JAN - 31 MAR 1999
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ITEM	ACCOUNT	CHANGE THIS QUARTER	BALANCE AT END OF QUARTER UG.SHS.
5a	Interest on loans	44,349,575	139,909,380
5b	Fees on loans/savings	0	0
5c	Loan/savings income (Line 5a plus 5b)	0	0
5d	Investment income	1,482,859	3,054,359
5e	Other operating income	0	0
5f	TOTAL OPERATING INCOME (Sum line 5c to 5e)	45,832,434	142,963,739
6a	Interest on market debt.	5,488,908	17,072,981
6b	Interest on subsidized debt	0	0
6c	Interest on savings	0	0
6d	Exchange rate depreciation expenses	32,163,850	32,163,850
6e	TOTAL FINANCIAL EXPENSES (Sum line 6a to 6d)	37,652,758	49,236,831
7	GROSS FINANCIAL MARGIN (Line 5f less 6e)	8,179,676	93,726,908
8	Loan Loss provision expenses	9,572,988	20,322,761
9	NET FINANCIAL MARGIN (Line 7 less 8)	(1,393,312)	73,404,147
10a	Personnel Expenses	77,878,802	164,557,425
10b	Rent and utilities	2,100,000	4,950,000
10c	Transportation	21,705,575	45,381,000
10d	Office supplies	19,659,424	37,064,675
10e	Depreciation	53,845,830	58,614,180
10f	Other operating and administrative expenses	8,545,001	31,804,068
10g	TOTAL OPERATING EXPENSES (Sum line 10a to 10f)	183,734,632	342,371,348
11	PROFIT (LOSS) ON FINANCIAL SERVICES (Line 9 less 10g)	(185,127,944)	(268,967,201)
12	Extraordinary Income (Expenses)	0	0
13a	Grants and donations to subsidize financial services	252,557,305	465,164,105
13b	Income from non-financial services	0	0
13c	Expenses from non-financial services	0	0
14	SURPLUS/(DEFICIT) (Sum lines 11,12, and 13a less 13c)	67,429,361	196,196,904
15	Taxes paid on taxable income	0	0
16	Dividends	0	0
17	RETAINED SURPLUS/(DEFICIT) (Line 14 less lines 15 and 16)	67,429,361	196,196,904

PRESTO CENTRE FOR MICROFINANCE
QUARTERLY Financial Performance Information

MICROFINANCE INSTITUTION	FOCCAS Uganda	REPORT PERIOD:	1 JAN-31 MAR 1999
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SUMMARY OF PAST DUE LOANS

Please provide data as of the last day of the period to be analyzed

Name of Branch	Total Principal Outstand	Total Principal Past Due	Principal in Arrears 1-30 days	Principal in Arrears 31-60 days	Principal in Arrears 61-90 days	Principal in Arrears 91-180 days	Principal in Arrears 181-366 days	Principal in Arrears 365+ days
Mbale/Kapchorwa	225,905,691	20,720,266	14,212,416	0	6,507,850	0	0	0
Tororo/Busia	225,543,630	28,462,310	9,811,560	9,830,050	2,785,000	832,900	3,646,700	1,556,100
Totals:	451,449,321	49,182,576	24,023,976	9,830,050	9,292,850	832,900	3,646,700	1,556,100
Provision Rates:	-	-	10%	50%	75%	100%	100%	100%
Computed Provisions	-	-	2,402,398	4,915,025	6,969,638	832,900	3,646,700	1,556,100

PLEASE EXPLAIN ANY DIFFERENCES IN THE LOAN LOSS PROVISIONS AS CALCULATED IN THE SUMMARY OF PAST DUE LOANS TABLE SHOWN ABOVE AND THOSE SHOWN IN THE FINANCIAL STATEMENTS.

N/A

PORTFOLIO AT RISK (PAR)

Please provide data as of the last day of the period to be analyzed. Please note that PAR refers to the entire portfolio affected by overdue payments, NOT just the payments that are past due.

Name of branch	Total Principal Outstanding	Portfolio at Risk 1 day		Portfolio at Risk 30 days		Portfolio at Risk 90 days	
		Total Amount	Overall % rate	Total Amount	Overall % rate	Total Amount	Overall % rate
Mbale/Kapchorwa	225,905,691	20,720,266	9.2%	6,507,850	2.9%	6,507,850	2.9%
Tororo/Busia	225,543,630	28,462,310	12.6%	18,650,750	8.3%	6,035,700	2.7%
TOTAL:	451,449,321	49,182,576	10.9%	25,158,600	5.6%	12,543,550	2.8%

VALUE OF LOANS WRITTEN OFF THIS QUARTER

0

VALUE OF LOANS WRITTEN OFF LAST FISCAL YEAR

0

PLEASE DESCRIBE YOUR POLICY FOR WRITING OFF DELINQUENT LOANS

The policy has been to write off all loans over 180 days past due.

PLEASE DESCRIBE ANY DIFFERENCES BETWEEN YOUR STATED LOAN WRITE OFF POLICY AND THE WAY THAT LOANS HAVE BEEN WRITTEN OFF EITHER THIS YEAR OR LAST YEAR

The Policy will be implemented for the first time beginning April 1999.

PRESTO CENTRE FOR MICROFINANCE
QUARTERLY Financial Performance Information

MICROFINANCE INSTITUTION	FOCCAS Uganda	REPORT PERIOD:	1 JAN-31 MAR 1999
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Outreach: Loans	
Number of borrowers with loans outstanding at the beginning of the period*	3,883
Number of borrowers with loans outstanding at the end of the period	7,170
Value of loans outstanding at the beginning of the period	416,160,992
Value of loans outstanding at the end of the period	451,449,321
Number of loans disbursed during the period	5,032
Value of loans disbursed during the period	426,160,000
Number of loan clients exiting the program during the period**	53
Percent women	100%

**Do not include clients who are in between loan cycles, or who have temporarily declined loan facilities.

Outreach: Savings	
Number of savers at the beginning of the period	4,124
Number of savers at the end of the period	7,616
Value of savings at the beginning of the period	70,102,163
Value of savings at the end of the period	89,491,175
Percent women	100%

PRESTO CENTRE FOR MICROFINANCE
QUARTERLY Financial Performance Information

MICROFINANCE INSTITUTION	FOCCAS Uganda	REPORT PERIOD:	1 JAN-31 MAR 1999
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OPERATIONAL ANALYSIS

Operational Subsidy Analysis

1. Grant Income	
DID YOUR PROGRAM RECEIVE GRANTS TO SUPPORT ITS OPERATIONAL COSTS IN THE QUARTER TO BE ANALYSED?	YES
WHAT WAS THE AMOUNT OF THESE GRANTS DURING THE QUARTER TO BE ANALYSED? (ENTER ON LINE 13a OF OPERATING PROFIT AND LOSS STATEMENT)	Ush 252,557,305
2. In Kind Subsidies	
WERE ANY MANAGERIAL OR OPERATIONAL PERSONNEL PAID BY DONOR FUNDS THAT ARE NOT INCLUDED IN YOUR INCOME STATEMENT? INCLUDE ANY EXPATRIATE STAFF OR CONSULTANTS WHO PROVIDED DIRECT OPERATIONAL SUPPORT BUT EXCLUDE ANY SHORT-TERM TECHNICAL ASSISTANCE. EXPLAIN BELOW ANY PERSONNEL THAT HAVE BEEN EXCLUDED.	YES
Program Manager provided by Freedom from Hunger	
WHAT WAS THE AMOUNT OF THE SUBSIDIZED SALARIES AND BENEFITS DURING THE YEAR?	Ush 19,043,751
DID THE PROGRAM USE ANY PROPERTY OR EQUIPMENT WHICH BELONGS TO ANOTHER PARTY AND IS NOT ACCOUNTED FOR ON YOUR FINANCIAL STATEMENTS? (i.e. OFFICES, COMPUTER EQUIPMENT, VEHICLES, ETC.)	NO
IF YES, PLEASE EXPLAIN TO US WHAT KIND OF EQUIPMENT/PROPERTY AND HOW IT WAS USED IN YOUR OPERATIONS:	
N/A	
WHAT WOULD YOU HAVE HAD TO SPEND TO SUBSTITUTE FOR THIS EQUIPMENT OR PROPERTY DURING THE YEAR TO BE ANALYSED? EXPLAIN YOUR CALCUALTIONS IN THE SPACE BELOW.	
N/A	
INFORMATION ON STAFFING AND PERSONNEL	
Number of staff at beginning of period:	35
Number of staff hired during period:	3
Number of staff who left during the period:	1
Number of Loans Officers at the end of the period:	20

PRESTO CENTRE FOR MICROFINANCE
QUARTERLY Financial Performance Information

MICROFINANCE INSTITUTION | FOCCAS Uganda | **REPORT PERIOD:** | 1 JAN-31 MAR 1999

STRUCTURE OF LIABILITIES ANALYSIS

Description, Each of Program's Liabilities:
Include savings and/or deposits only if these funds are available to be on-lent or invested.

Source (complete on separate sheet if necessary)	Item No. and Account on Balance Sheet	Is liability in local or foreign currency?	If foreign, give value of liability in that currency	Amount of the liability on Balance Sheet (in UGSHS)
A. European Development Fund	2h	Local	N/A	50,000,000
B. Frieland and Baldrige	2h	Foreign	US\$100,000	145,000,000
C. Co-operative Bank	2g	Local	N/A	102,000,000

Cost of Funds Data, Each of Program's Liabilities

Source	Average amount of this liability during the quarter	Nominal interest rate (annualized)	Terms and conditions: (original value of liability, repayment period, frequency of payment, declining balance of flat)	Interest expense incurred for this liability for the quarter
A. European Development Fund	Ush 42,000,000	13.25%	Interest payable half-yearly in July and December on the outstanding balance.	Not expensed until June
B. Baldrige and Frieland	US\$ 100,000	3.0%	US\$ 50,000 due 30/09/99 US\$ 50,000 due 30/09/00	Ush 12,175,000
C. Cooperative Bank	Ush 51,000,000	16.0%	Interest payable monthly on the outstanding balance	Ush 1,781,283

STATE PARTICULARS OF ANY LIABILITIES SHOWN ON BALANCE SHEET THAT ARE NOT INCLUDED IN ABOVE ANALYSIS.

N/A

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QUARTERLY Financial Performance Information

MICROFINANCE INSTITUTION	FOCCAS Uganda	REPORT PERIOD:	1 JAN-31 MAR 1999
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Accounting Policies

a) Basis of Account Valuation method: cost basis, adjusted historical cost, current cost accounting.

If any of the four fundamental account assumptions (i.e. going concern, consistency, accrual and prudence) are not followed, please indicate.

Cost Basis accounting is used, and the going concern, consistency, accrual and prudence concepts are followed.

b) Depreciation Method (also mention how often depreciation is calculated and posted)

See 31/12/98 Report

c) Revenue recognition method for interest, commission and fee income (accrual or cash)

See 31/12/98 Report

d) Translation/conversion of foreign currencies (including the disposition of exchange gains and losses)

See 31/12/98 Report

e) Any other policy (e.g. method of allocation of common costs in a multi-purpose program)

N/A